

ALEXANDER COUNTY INDUSTRIAL DEVELOPMENT INCENTIVE (IDI) GRANT PROGRAM FOR NEW AND EXISTING INDUSTRIES

I. OVERVIEW

In order to expand economic development options for Alexander County that will diversify the tax base, offer improved employment opportunities for its citizens and promote the economic growth and welfare of the business and industrial community, the Alexander County Commissioners desire to establish inducement guidelines to encourage new business location decisions within Alexander County and to assist existing industrial expansion. This Industrial Development Incentives (IDI) grant program formalizes guidelines that establish the parameters for local government economic incentives to be used to encourage existing industrial expansions and to help promote Alexander County as an excellent site choice for new industrial facility locations. This IDI grant program replaces any previously enacted policy guidelines.

II. PROGRAM PARAMETERS

The IDI grant involves a contractual agreement between Alexander County and a new or existing business within the county, that would allow for a financial incentive grant based upon the actual value, schedule and payment of local property taxes. The County will require the business to "pay in full" annually total property taxes due. If the business has met specific criteria for investment, job creation, and wages paid, as outlined in a formal agreement, a portion of the property taxes paid by that industry to Alexander County would be returned to the industry in the form of a local Industrial Development Incentive Grant. The first annual installment would be paid on the 15th day of January of the year following the first full year of the completion of the new capital investment. The appraisers of the Alexander County Tax Department will determine the value of new capital investment.

IDI grants will be based on the increase in tax value of real property, machinery, and improvements above the base year prior to investment. No grant will be given to a company that would reduce their tax payment to an amount lower than the previous tax year. No company may transfer grant agreements or contracts without the explicit approval by the Alexander County Board of Commissioners.

Each project will be considered on an individual basis using guidelines established under the direction of the Alexander County Commissioners. The guidelines for the program shall be subject to periodic review. Changing economic conditions may cause the County to modify,

amend, or even terminate the program subject to compliance with any IDI grants in effect at that time. If a need arises to change, modify, or terminate the IDI program, outstanding contracts at the time of such termination or change will be honored in accordance with the terms of such contracts.

An annual grant installment may be delayed or withheld if the grant recipient is delinquent in the payment to Alexander County of any taxes, utility bills, or other fees owed to the County.

If a grant recipient shall close, terminate, or reduce its operation by fifty percent or more during the period of the grant, all further grant payments will cease, and the Industrial Development Incentive Grant for the recipient will be null and void.

III. PROJECT CRITERIA

To be considered eligible for an IDI grant, a project must meet certain criteria. These criteria are to be used as guidelines in project evaluations. Additional criteria may be applied to a specific project based upon the terms of the contract between the industry and Alexander County.

The primary factors to be considered in evaluating a project for an IDI grant are (1) New investment by the industry which increases property tax valuation (2) Number of new jobs to be created (3) Wages compared to the county average as determined by the NC Department of Commerce. Each project will be scored based on the above criteria using the scoring guidelines established with this policy.

NOTE : POSSIBLE REVISION TO INCLUDE COUNTY OWNED PROPERTY. AS AN ALTERNATIVE TO GRANT IF COUNTY OWNED PROPERTY IS THE SITE OF A PROJECT, COUNTY MAY ACCEPT THE INCREASE IN PROPERTY TAXES FOR UP TO 10 YEARS AS PAYMENT FOR PROPERTY.

FOR ECONOMIC DEVELOPMENT OFFICE USE

Company _____ Date _____

EDC Authorized Signature _____

IDI Grant Scoring System

(Add score totals of columns A,B,C)

A - Tax Value			B - Job Creation			C – Wages Paid		
* Increase in Tax Value	Max Points	Tax Value Score	Jobs Created	Max Points	Jobs Score	**Wages Paid	Max Points	Wages Score
Under \$500,000	1		1-10	1		Less 100% Co. Ave.	0	
\$500,000 – \$4,999,999	2		11-20	2		100% Co. Ave. \$496	2	
\$5,000,000- \$9,999,999	3		21-30	3		110% Co. Ave. \$545	3	
\$10,000,000- \$19,999,999	4		31-40	4		120% Co. Ave. \$595	4	
\$20,000,000 And Above	5		41 +	5		130% Co. Ave. \$644	5	

TAX VALUE SCORE _____ JOB CREATION SCORE _____ WAGES PAID SCORE _____

TOTAL SCORE ALL CATEGORIES: _____

*Includes real property, equipment, and machinery values which are higher than the base year tax value.

** Averages based on annual wage standards published by the North Carolina Department of Commerce – Commerce Finance Center. <http://www.nccommerce.com/finance/tiers/>

GRANT AWARD LEVELS

IDI LEVEL 1 GRANT

Minimum Score – 5

- Year 1-80% property tax grant
- Year 2-70% property tax grant
- Year 3-60% property tax grant
- Year 4-50% property tax grant
- Year 5-40% property tax grant

IDI LEVEL 2 GRANT

Minimum Score – 7

- Year 1-90% property tax grant
- Year 2-80% property tax grant
- Year 3-70% property tax grant
- Year 4-60% property tax grant
- Year 5-50% property tax grant

IDI LEVEL 3 GRANT

Minimum Score – 9

- Year 1-100% property tax grant
- Year 2-100% property tax grant
- Year 3-100% property tax grant
- Year 4-100% property tax grant
- Year 5-100% property tax grant

IDI LEVEL 4 GRANT

Minimum Score – 11

- Year 1-100% property tax grant
- Year 2-100% property tax grant
- Year 3-100% property tax grant
- Year 4-100% property tax grant
- Year 5-100% property tax grant

- Year 6-100% property tax grant
Additional year added for each for
\$10 million over \$20 million up to
8 years.

**Alexander County IDI Program
Application Form**

Date: _____

Company: _____

Address: _____

Telephone: _____ Fax: _____

Contact: _____ Title: _____

Project Description: _____

Address where project is to occur: _____

Is this an existing industry project? YES _____ NO _____

Current Full-time Jobs _____ Average Wage: _____

Level of New Project Investment

Land: _____

Building: _____

Equipment: _____

Total New Investment: _____

New Full-time Jobs Created: _____

Calendar Year for Investment: _____

If investment and job creation is to take place over 12 months, attach a detailed timeline for the project.

(Application continued on next page)

Company: _____

Project Location: _____

Current Asset Value (To be completed by Alexander County Tax Office)

Land: _____

Building: _____

Equipment: _____

Standard Industrial Classification Code: _____

(To be completed by North Carolina Employment Security Commission)

Please note that unsigned applications will not be processed.

I understand fully that the Alexander County Board of Commissioners will examine, on a case-by-case basis, the possible use of inducements. That all applications for these inducements will comply will adopted guidelines and are subject to availability of funds.

I further understand that any inducements, which might be offered to my company, will have to comply with GS 158 - 7.1 and any other provisions as deemed necessary.

The net levels of investment (building, and equipment), employment and wages that have been submitted are, to the best of my knowledge, true and complete.

Name and Title of person completing the application (please type or print)

Signature: _____ Date: _____

Please return completed application to:

Alexander County Economic Development
621 Liledoun Road
Taylorsville, NC. 28681

Fax (828) 632-0059

Phone (828) 632-1161

IDI Grant Payment Form

Alexander County IDI Program

Date: _____

Company: _____

Address: _____

Project Description: _____

*Real Property Value: _____

*Personal Property Value: _____

Total Value: _____

Property Tax Rate: _____

Taxes Paid: _____

Grant Percentage: _____

Grant Amount: _____ Year ____ of ____

Economic Development Director

Tax Administrator

County Manager

*Includes real property, equipment, and machinery values which are higher than the base year tax value.

